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Honorable Karen A. Overstreet
Chapter 11
Hearing Location: Rm. 7206
Hearing Date:
Hearing Time:
Response Date:

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6
7
8 UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 In re:

No. 10-21229

11 COAST CRANE COMPANY,

12 Debtor.

DECLARATION OF T. SCOTT AVILA
IN SUPPORT OF APPLICATION FOR
ORDER AUTHORIZING ORDINARY
COURSE EMPLOYMENT AND
RETENTION OF CRG PARTNERS
GROUP LLC TO PROVIDE
RESTRUCTURING SERVICES TO
THE DEBTOR AND OF T. SCOTT
AVILA AS CHIEF RESTRUCTURING
OFFICER OF THE DEBTOR *NUNC*
PRO TUNC TO THE PETITION DATE

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17 I, T. Scott Avila, declare as follows:

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19 1. I make this declaration in support of the motion (the "Motion") for an order
20 authorizing Coast Crane Company ("Debtor" or "the Company") to employ and retain CRG Partners
21 Group LLC ("CRG" or the "Firm") to perform restructuring services to the Debtor and to employ
22 and retain me as Chief Restructuring Officer ("CRO") of the Debtor, *nunc pro tunc* to the date of
23 filing of the petition. Unless otherwise noted, capitalized terms used in this Declaration have the
24 meanings ascribed in the Motion.
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DECLARATION OF T. SCOTT AVILA IN SUPPORT OF
APPLICATION FOR ORDER AUTHORIZING EMPLOYMENT
OF CRG PARTNERS - 1

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1 2. I am a Managing Partner of the Firm which maintains an office at 11835 W. Olympic
2 Blvd., Suite 650E, Los Angeles, California.

3 3. CRG is a consulting firm that specializes in, among other things, interim and wind-
4 down management, turnaround, crisis management and financial restructuring in chapter 11 cases.

5 4. CRG has been engaged by the Debtor under a prepetition engagement agreement (the
6 "Engagement Agreement") dated March 29, 2010. Attached hereto as Exhibit A is a true and correct
7 copy of the Engagement Agreement.
8

9 5. CRG will assist and advise the Company, with respect to managing the process
10 leading to a possible refinancing, restructuring or modification of any or all of the Company's
11 existing debt, other obligations or equity (the "Restructuring"). In this regard, I will be employed
12 and retained on a full-time basis as CRO of the Company. CRG will provide restructuring services
13 as requested by the Debtor and described in the Engagement Letter, including, but not limited to the
14 following:
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- 16 • Preparing and reviewing possible reorganization plans and strategic
17 alternatives for maximizing the debt repayment and enterprise value of the
18 Debtor and/or the Debtor's business;
- 19 • Serving as the principal contact with the Debtor's creditors with respect to the
20 Debtor's financial, operational, and reorganization matters. The CRO shall be
21 authorized to directly communicate with parties in interest in the bankruptcy
22 case;
- 23 • Assisting the Debtor in the preparation and management of a potential
24 bankruptcy process;
- 25 • Performing such other services in connection with the reorganization as may
26 be reasonably necessary to advance the Debtor's reorganization efforts under
Chapter 11;

- Managing and directing the Debtor's professionals in the reorganization process and coordinate their efforts and individual work product with the representatives of the Debtor's various stakeholders consistent with the Debtor's overall reorganization goals;
- Assisting in reviewing and/or preparing short term liquidity forecasts;
- Providing support to the Debtor in discussions with vendors, landlords, and other unsecured creditors;
- Soliciting and evaluating financing proposals from potential parties;
- Solicit and evaluate purchase proposals from potential parties;
- Coordinate gathering of due diligence materials to be provided to selected potential parties;
- Assisting in the negotiation and documentation of a going concern restructuring transaction with one or more parties;
- Developing a rolling 13-week cash projection;
- Assisting the Debtor in its relationships with its existing lenders and creditors; and
- Rendering any other services as directed by the Debtor and/or the Board.

6. To address and handle the above responsibilities on behalf of the Debtor, I will be assisted by certain professionals from CRG pursuant to the terms of the above referenced agreement. I and certain other CRG professionals will serve at the direction of the Board.

7. During the period ninety days prior to the Petition Date, the Debtor paid CRG approximately \$373,858.11 for fees and expenses for CRG's representation of the Debtor pursuant to the terms of the Engagement Letter. As of the Petition Date, CRG did not hold a prepetition claim against the Debtor for services rendered or reimbursable fees in connection with the engagement. To

1 the extent that CRG is holding funds from the Debtor in excess of fees earned and reimbursements
2 due as of the Petition Date, CRG will hold such excess funds as a retainer to be applied against
3 postpetition fees and expenses due from the Debtor to CRG, subject to compliance with applicable
4 fee motion requirements.
5

6 8. As of the Petition Date, CRG held a retainer from the Debtor in the amount of
7 approximately \$27,100.46, which was paid by the Debtor pursuant to the Engagement Letter. If the
8 retainer is unused as of the Petition Date, the retainer will be applied against unpaid invoices at the
9 completion of the engagement or returned to the Debtor.
10

11 9. The Firm has undertaken a thorough review of its computerized database that
12 contains the names of clients and other parties of interest with respect to certain matters. The Firm
13 has, or will, run the following parties through its conflicts system: (a) the Debtor; (b) the Debtor's
14 current officers and directors; (c) the Debtor's secured lenders; and (d) the Debtor's thirty-five
15 largest unsecured creditors. The Firm's investigation has not revealed any actual or potential
16 conflicts of interest with respect to the Firm's proposed representation of the Debtor, except as
17 described herein.
18
19

20 10. CRG and certain of its shareholders, counsel and associates may have in the past
21 represented, may currently represent and likely in the future will represent creditors of the Debtor in
22 connection with matters unrelated to the Debtor and these cases.
23

24 11. The Firm is not a creditor, equity security holder or an insider of the Debtor.
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1 12. Neither CRG nor I were involved in voting on the decision to employ and retain CRG
2 or myself.

3 13. Neither the Firm, nor any employee of the Firm has an interest materially adverse to
4 the interests of the Debtor, their estates or of any class of creditors or equity security holders, by
5 reason of any direct or indirect relationship to, connection with, or interest in, the Debtor, or for any
6 other reason.

7 14. To the best of my knowledge, except as disclosed herein, CRG has no connections
8 with the Debtor, creditors, or any other party in interest, their respective attorneys and accountants,
9 the United States Trustee, any person employed in the office of the United States Trustee, or any
10 insider of the Debtor.

11 15. CRG has represented, and will in the future represent, many different clients with
12 various business interests in numerous industries. These clients are often referred to CRG by
13 intermediaries such as lawyers, investment bankers, lenders and accountants. To the extent
14 necessary, CRG agrees to update the disclosure information from time to time if and when additional
15 parties with an interest in or a relationship with the Company are identified by the Company, in
16 writing, to CRG.

17 16. The Debtor proposes to pay the Firm compensation on the terms as set forth in the
18 Engagement Letter and summarized in the Motion and to reimburse the Firm for out-of-pocket
19 expenses according to the terms of the Engagement Letter and in accordance with the Motion.
20

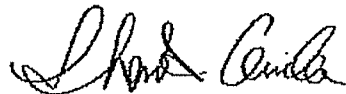
1 17. I am not related or connected to, and, to the best of my knowledge, no other employee
2 of CRG is related or connected to any United States Bankruptcy Judge or District Judge for the
3 Western District of Washington or the United States Trustee for the Western District of Washington
4 or to any employee in the offices thereof.
5

6 18. In performing these services, CRG will bill the Debtor as set forth in the Engagement
7 Agreement attached to the Motion.
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9 19. I certify that I have read Local Rule 2016-1, governing applications for compensation
10 of professionals.
11

12 I declare under penalty of perjury under the laws of the State of Washington and the United
13 States that the foregoing is true and correct to the best of my knowledge.
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15 DATED AND SIGNED this 21 day of September, 2010, at NEW YORK, NY.

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17 _____
18 T. Scott Avila
19 Managing Partner
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